Management letter

Prepared for the board of trustees of Wellacre Technology Academy Trust

For the year ended 31 August 2025

Contents

1. Introduction

We are pleased to set out in this document our report to the trustees of Wellacre Technology Academy Trust for the year ended 31 August 2025.

Our responsibilities as auditors are set out in the International Standards on Auditing (UK and Ireland) ("ISAs"). We are responsible for forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

We have carried out our audit in accordance with the terms of our engagement letter dated 2 September 2025 in order to express an audit opinion for UK statutory purposes on the financial statements of Wellacre Technology Academy Trust for the year ended 31 August 2025. We have complied with the Financial Reporting Council's Ethical Standard and all threats to our independence, as identified to you in our audit plan letter dated 12 August 2025, have been properly addressed through appropriate safeguards. No additional facts or matters have arisen during the course of the audit that we wish to draw to your attention and we confirm that we are independent and able to express an objective opinion on the financial statements.

In this report, we present the key findings from our audit, together with a commentary on the significant matters arising. The matters that have been reported are limited to those deficiencies identified during the audit which we have concluded are of sufficient importance to bring to the attention of those charged with governance. This report has been discussed comprehensively and agreed with Julie Sharrock (CEO) and Paula Bailey (CFO).

This report has been prepared for the sole use of the trustees of Wellacre Technology Academy Trust. We understand that you are required to provide a copy of this report to the Department for Education who may share this information internally within the Department for decision making purposes. With the exception of this, no reports may be provided to third parties without our prior consent. Consent is, and will only be, granted on the basis that such reports are not prepared with the interests of anyone other than the academy in mind and that we accept no duty or responsibility to any other party. No responsibilities are accepted by DJH Audit Limited towards any party acting or refraining from action as a result of this report.

We would like to express our thanks to all members of the academy trust's staff who assisted us in carrying out our work.

2. Statutory audit communication

2.1 Objectivity and independence

We conducted our audit in accordance with the Code of Ethics of the Institute of Chartered Accountants in England & Wales and the Ethical Standards published by the United Kingdom Auditing Practices Board. We have considered our independence and objectivity in respect to the audit for the year ended 31 August 2025.

In addition to auditing the financial statements we also provided, through other individuals, the following services to Wellacre Technology Academy Trust for the year ended 31 August 2025:

- Preparation of the statutory financial statements.
- Audit of the EOYC return.
- Preparation of the Annual Accounts Return.
- Corporation tax advisory and compliance services
- BFR support

We have outlined below the safeguards that we have put in place to ensure that these services provided in 2024/25 do not cause any breaches in our independence and objectivity in relation to the audit.

Non audit services provided	Safeguards put in place to reduce the threat to our integrity, independence and objectivity
Preparation of the statutory financial statements	Internally the accounts are reviewed by a separate individual from those who have prepared the financial statements. The accounts are reviewed in full by those charged by governance of the academy trust to ensure they comply with DfE guidance. Any accounting judgements required are made by the audit client.
Preparation of the Annual Accounts Return	The return is prepared from data in the statutory financial statements and as such is covered by those safeguards above.
Audit of the EOYC return	This service is provided by a separate individual from those who have audited the financial statements.
Corporation tax advisory and compliance services	This service is provided by a separate individual from those who have audited the financial statements.
BFR support	This service is provided by a separate individual from those who have audited the financial statements.

The following fees have been charged for our audit services:

- Audit of financial statements - £6,700
- Annual accounts return - £1,185
- Other services - £860

To maintain our independence as auditors we can also confirm that:

- DJH Audit Limited, its directors and the audit team have no family, financial, employment, investment or business relationship with the company; and
- Audit and non-audit fees paid by the company do not represent a significant proportion of total fee income for either the firm or office.

We confirm that, in our professional judgement, the firm is independent within the meaning of regulatory and professional requirements and the objectivity of the audit engagement director and audit staff is not impaired.

Legal and regulatory requirements

In undertaking our audit work we considered compliance with the following legal and regulatory requirements, where relevant:

- Companies Act 2006.
- Charities Act 2011.
- Academies Act 2010.
- Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.
- Academies Accounts Direction 2024 to 2025.
- Academy Trust Handbook 2024.
- Statement of Recommended Practice, Accounting and Reporting by Charities (FRS 102).
- Applicable accounting standards.

2.2 Audit approach and materiality

Our audit planning has taken account of the issues highlighted through discussions with Paula Bailey, together with our knowledge and understanding of the academy trust.

We confirm that there were no restrictions on the scope of our audit procedures and we have been able to undertake our work as set out in our planning meeting.

In our planning we have taken account of the results of our risk assessments made in accordance with the guidance set by the ISAs. Our consideration of high risk areas is documented in full within section 3 of this report.

Based on this rigorous process we have used our professional judgement and formed a materiality level. A matter is material if its omission or misstatement would reasonably influence the economic decisions of a user of the financial statements and the value at which if errors, on their own or in aggregate, were uncorrected would result in a potential qualified audit opinion. The audit materiality of the financial statements as a whole has been set at approximately 2% of total incoming resources.

We have considered this level of materiality based on the draft accounts for the year ended 31 August 2025 and are satisfied that it continues to be appropriate.

Underpinning materiality is a level of triviality, £5,500, at which any error or omission in excess of this value is recorded and reported to management.

In planning and carrying out our work, we applied a materiality level to Wellacre Technology Academy Trust of £110,000 based on 2% of income.

2.3 Accounting policies

In preparing the financial statements of the academy trust, directors/trustees are required under FRS 102 to review the academy trust's accounting policies on an annual basis to ensure they remain appropriate to the academy trust's circumstances and are properly applied.

We have reviewed the accounting policies selected and operated by the academy trust, and are satisfied that they are acceptable.

2.4 Significant findings

There were no significant matters that we feel need bringing to the attention of the trustees. Other findings are included in section 4.

2.5 Accounting estimates and judgements

The property is recorded in the accounts at valuation. The basis of the valuation is existing use value calculated on a depreciated replacement cost basis.

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives.

The principal annual rates used were as follows:

Land and buildings	50 years straight line
Fixtures, fittings & equipment	7 years straight line
Computer equipment	3 years straight line
Motor Vehicles	25% reducing balance

2.6 Funding position at 31 August 2025

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the academy trust and are restricted to both the day to day running of the academy trust and capital expenditure. The balance carried forward on this fund is £nil.

Restricted fixed asset funds are those funds relating to the long term assets of the academy trust used in delivering the objectives of the academy trust. The balance carried forward on this fund is £18,977,000. Additional analysis of this fund by nature has been provided to comply with the Academies Accounts Direction.

Unrestricted funds are funds to which the governing body may use in the pursuance of the academy trust's objectives and are expendable at the discretion of the trustees. The balance carried forward on this fund is £301,000.

2.7 Significant difficulties encountered during the audit

We did not encounter any significant difficulties during the audit.

2.8 Accounting and financial control systems

During our audit we examined the design and implementation of the internal controls relevant to the accounting systems and procedures.

The review of internal controls was carried out with a view to expressing an opinion on the financial statements for the year and was not directed primarily towards discovering weaknesses or towards the detection of fraud. Therefore our comments on these systems include only those matters that have come to our attention as a result of our normal audit procedures, and consequently our comments should not be regarded as a comprehensive record of all weaknesses that may exist or of all improvements that might be made. Please refer to section 4 of this report.

2.9 Management representations

We include a copy of the draft management representation letter. There are certain specific representations which we are required by auditing standards to obtain from management as part of our audit procedures. In addition, we are required to obtain other representations on matters material to the financial statements where other sufficient appropriate audit evidence cannot be reasonably expected to exist.

2.10 Audit opinion

Based upon the findings and conclusions of our work, we expect to issue an unqualified audit opinion on the financial statements.

3. Audit Risks

3.1 High risk audit areas

Issue	Audit risk	Risk level	Audit procedures undertaken	Conclusion
Revenue recognition	In respect of ensuring that all income received by the academy trust is recognised in the correct period.	Significant	• Grant income proof in total test was performed to confirm completeness, accuracy and cut off. • Other income cut off test either side of the year end was performed to ensure income has been recorded in correct period. • Other income was traced from source documents to the nominal ledger to confirm completeness.	No issues were noted. Revenue is fairly stated with regards to completeness, accuracy and cut off assertions.
Management override	As stated in International Standard on Auditing (UK) 240, management is in a unique position to perpetrate fraud due to management's ability to override controls that would otherwise appear to be operating effectively.	Significant	• Review of unusual manual journals. • Review of accounting estimates such as accruals and provisions and consider any pressures on management to achieve expected results.	No evidence of management override was found during our audit procedures.
Going concern	Going concern is a key risk given the current economic climate and pressures on government spending.	Moderate	• We reviewed forecasts to confirm reasonability and achievability. • We reviewed the academy's key performance indicators to identify any going concern risk factors. • We reviewed whether there are any plans that may indicate uncertainties related to the academy's concern.	No issues were noted. We concur with management's assessment that the academy trust is a going concern.

3.1 High risk audit areas (Continued)

Issue	Audit risk	Risk level	Audit procedures undertaken	Conclusion
Valuation of retirement benefit obligations	Valuation of defined benefit pension is complex and it involves significant assumptions and judgements. There is risk that the defined benefit obligations are incorrectly valued due to complexity and subjectivity involved.	Moderate	• We reviewed the management expert's competences and capabilities. • We reviewed the accuracy of information provided to the management expert by comparing it with corresponding payroll reports. • We assessed the accuracy of the disclosures and accounting entries made by management by comparing them with the actuarial valuation report.	Pension valuation and disclosures in the accounts appear reasonable in line with the valuation received and the Academies Accounts Direction requirements. The pension asset has been recognised in line with FRS102 accounting requirements.
Valuation of tangible fixed assets	Inherent risk has been assessed as high due to size of the balance. Where material capital projects are on-going, there is risk that that these costs are not correctly capitalised and recognised as assets under construction. There is also risk that impairment losses are not recognised where impairment indicators arise, such as going concern issues.	Moderate	• We reviewed capitalised costs to confirm they have been correctly classified. • We reviewed fixed assets for any impairment indicators. • We recalculated depreciation charge for the year as per the academy's accounting policy to confirm its accuracy. • We reviewed the academy's accounting policy to confirm that it is reasonable.	No issues were noted. Fixed assets are fairly stated with regards to existence, valuation and classification assertions.

3.1 High risk audit areas (Continued)

Issue	Audit risk	Risk level	Audit procedures undertaken	Conclusion
Accounting estimates	In accordance with ISA 540, accounting estimates are considered to be a higher risk area of the audit as it is through estimation and judgement that management could attempt to manipulate the financial statements.	Significant	• We agreed accruals and prepayments to supporting invoices. • We performed analytical reviews to assess reasonability of accruals and prepayments. • We recalculated depreciation charge based on the academy trust's policy.	No issues were noted.

3.2 Other areas of focus

Fund accounting

The financial statements include a number of restricted and unrestricted funds and the audit risk is that income and expenditure is not correctly allocated to the correct fund. We reviewed the nature and purpose of each fund in line with supporting documentation and tested a sample of transactions to ensure that they are allocated to the correct fund. No issues were noted

Disclosures in the financial statements

A number of disclosures included in the statutory financial statements are not derived from the academy trust's financial reporting system, for example related party transactions. We assessed the accuracy and completeness of the related party disclosures in the financial statements informed by a review of declaration of interest forms and controls and searches at Companies House. No issues were noted.

Related party transactions

Transactions with related parties may not be in line with the latest Academy Trust Handbook. We reviewed all related party transactions, obtained copies of statements of assurance and confirmed declaration to the DfE. No issues were noted.

4. Report of significant weaknesses in systems and internal controls

4.1 Introduction

We set out below the significant matters we became aware of during our audit, which relate to the effectiveness of the company's accounting and financial control systems. We have used the following grading system to indicate the significance of the issues we have raised and the priority that we believe should be given to our recommendations.

Rating	Description
High	Should be urgently attended to by the directors and management. These are significant issues that may result in a qualification in the audit report in future periods if not satisfactorily addressed.
Moderate	Issues requiring the attention of the directors and management. Issues ranked as moderate require close monitoring by the board and senior management to ensure timely resolution.
Low	Issues requiring management attention and correction. Issues ranked as low are generally routine in nature and should be resolved by general management. The board and senior management should be aware of these issues to enable monitoring of progress with their resolution. These issues may be reported to management in less detail than more highly rated issues.

	Audit finding	Potential effect	Priority	Recommendation	Responsible Owner	Implementation Date
1	During the audit, it was identified the academy is not maintaining a fixed asset register. It has not been possible to write off disposals incurred in the year. However, the value of disposals is believed to be immaterial.	Non-compliance with the requirements of the Academy Trust Handbook 2024 section 2.7 - *The control framework **must** manage and oversee assets, and maintain a fixed asset register.*		It is recommended that maintenance of the asset register forms part of month-end procedures moving forward.	Business Director	Autumn term 2025
2	Owen Mcgrattan, trustee who resigned in the current year, has been removed from the website within 12 months.	Non-compliance with the requirements of the Academy Trust Handbook 2024 section 1.45 - *The trust **must** keep a register of any relevant business and financial interests, including governance roles in other educational institutions, for (as a minimum) members, trustees, local governors and senior employees, serving at any point over the past 12 months.*		It is recommended the website should be updated to include all relevant trustee information as soon as possible.	Business Director	As soon as possible

	Audit finding	Potential effect	Priority	Recommendation	Responsible Owner	Implementation Date
3	During our expenditure testing, out of a sample of 20 items tested it was identified a purchase order was not raised for two of the items (10%).	Non-compliance with the requirements of the academy's financial procedures manual.		It is recommended that all members of the finance team are reminded to ensure purchase orders are raised on the system in advance of placing the formal order with the supplier.	Business Director	On-going
4	A conflict of interest still remains surrounding the independence of the internal audit provision due to the relationship between the business director and the internal audit firm. The Academy Trust Handbook (ATH) states in section 3.1 - *All academy trusts **must** have a programme of internal scrutiny to provide **independent** assurance to the board…*	Non-compliance with the requirements of the Academy Trust Handbook. Increased risk of improper financial transactions due to the risk of collusion of the business director with the internal auditor, given the relationship between the 2 entities.		It is recommended that the trustees minute their consideration of the independence and objectivity of RedRambler given the connection to the Business Director. The trustees must be satisfied that RedRambler have appropriate safeguards such as barriers in communication to ensure independence and objectivity of the work completed by them.	Board of trustees	Autumn term 2025

	Audit finding	Potential effect	Priority	Recommendation	Responsible Owner	Implementation Date
5	During the audit, it was identified no declaration of interest forms for the key management personnel were available or uploaded to the academy website.	Non-compliance with the requirements of the Academy Trust Handbook 2024 section 1.45		It is recommended as per section 1.45 in the Academy Trust Handbook that the register of pecuniary interests must include senior employees.	Business Director	As soon as possible

5. Status of audit recommendations from previous year

During the course of the audit we revisited the audit recommendations from the previous year's audit management letter and set out below the status of these recommendations.

Observations in 2024	Update in 2025
Trustee J Haughton, who resigned from the trust on the 27 November 2023 has been removed from the academy website within 12 months.	Similar issue encountered in 2024-25 – recommendation raised in section 4 above.
Following our website testing, it was noted that trustee and governor attendance records at meetings for 2023-24 were not uploaded.	The attendance records at meetings were uploaded for 2023-24. However, attendance records for 2024-25 are not on the website – recommendation raised in section 4 above.
A conflict of interest is arising surrounding the independence of the internal audit provision due to the relationship between the business director and the internal audit firm.	The internal audit provision is still provided by Redrambler – recommendation raised in section 4 above.
During our audit testing, it was identified the academy does not have an executive pay policy in place.	Executive pay policy has still not been implemented - recommendation raised in section 4 above.
During our audit testing, it was noted the dear accounting officer letters (DAO) had not been discussed following review of the board minutes.	The dear accounting officer letters have been discussed at the board meetings in the current year.

6. Regularity

There were no regularity, propriety and compliance matters that we became aware of during our audit, which relate to the responsibility to ensure that public money is spent for the purpose intended by Parliament (regularity) and a responsibility to ensure that appropriate standards of conduct, behaviour and corporate governance are maintained when applying the funds under the academy's control (propriety).

Appendix

Reconciliation of audited surplus/deficit

The surplus/(deficit) per the financial statements has been derived as follows:

	Statement of Financial Activities		**Balance sheet**		**Effect on surplus/ (deficit) for the year**
	£	**£**	**£**	**£**	**£**
Surplus/(Deficit) per draft trial balance					**92,784**
1. Capitalisation of assets					
Dr F&F additions			7,278		
Dr Computer Equipment additions			26,551		
Cr Rev cont to capital		7,278			
Cr Technology Consumables		26,551			
To capitalise assets purchased in the year.					33,829
2. Depreciation adjustment					
Dr Fixed asset depreciation expense	603,732				
Cr Land & buildings dep'n charge				526,770	
Cr Fixtures & fittings dep'n charge				19,443	
Cr Computer equipment dep'n charge				57,126	
Cr Motor vehicles dep'n charge				393	
To recognise the depreciation charge for the year					(603,732)

	Statement of Financial Activities		Balance sheet		Effect on surplus/ (deficit) for the year
	£	£	£	£	£

3. Unspent Income

Dr Curriculum materials	91,937				
Cr Prepayments				91,937	
To adjust for unspent income adjustments included in prepayments in error					(91,937)

4. Prepayments adjustment

Dr Other support costs	5,535				
Cr Prepayments				5,535	
To adjust for prior year prepayments not reversed correctly					(5,535)

5. Accrued income

Dr Accrued Income (non capital)			5,876		
Cr Pupil Premium Income		5,876			
To adjust for movement in pupil premium accrued income					5,876

6. Deferred trips income

Dr Educational trips & visits	6,181				
Cr Deferred Income				6,181	
To adjust for deferred drama trip income identified					(6,181)

	Statement of Financial Activities		Balance sheet		Effect on surplus/ (deficit) for the year
	£	£	£	£	£
7. Opening Funds					
Dr Books, equipment & materials	10,000				
Cr Funds b/fwd				10,000	
To adjust for opening fund balances posted incorrectly in relation to the kitchen refurb grant					(10,000)
8. Trade debtors					
Dr Trade debtors			17,731		
Cr Other creditors				17,731	
To adjust for debtors on account showing as a credit balance					-
Actual Surplus/(Deficit) per Financial Statements					**(584,896)**

There are uncorrected misstatements totalling (£1,340) as set out below:

	Statement of Financial Activities		Balance sheet		Effect on surplus/(deficit) for the year
	£	£	£	£	£
Dr Trade debtors			13,564		
Cr Income		13,564			
Being credit balances on aged debtors listing					13,564
Dr Corporation tax expense	14,904				
Cr Corporation tax liability				14,904	(14,904)
Being potential CT liability on trading income					
Total effect of unadjusted errors					**(1,340)**

WELLACRE

DJH Business Advisors
Bridge House
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Altrincham
Cheshire
WA14 2UT

Dear Sirs

Following receipt of your audit findings report for year ending 31st August 2025, please note our response below:

1. During the audit, it was identified that the academy is still not maintaining a fixed asset register. It has not been possible to write off disposals incurred in the year. However, the value of disposals is believed to be immaterial.- The Business Director will undergo training with the auditor to ensure that this is in place for the end of the Autumn Term.
2. Owen McGrattan, trustee who resigned in the current year had been removed from the website within 12 months - This has been rectified and a historical record of trustees/members resigned in the last 12 months is now kept on the website.
3. During expenditure testing, out of a sample of 20 items tested it was identified that a purchase order was not raised for two of the items (10%) - We have undergone some recent staff changes, this has been noted.
4. A conflict of interest is arising surrounding the independence of the internal audit provision due to the relationship between the business director and the audit firm - Four quotes were obtained in 2025, these quotes have been reviewed by the Resources Committee and agreement to continue with Red Rambler was obtained. The Full Board will minute their consideration of the independence and objectivity of Red Rambler given the connection to the Business Director at the November meeting.
5. During the audit, it was identified no declaration of interest forms for key management personnel were available or uploaded to the website - Forms were made available, by email, to the auditor; a document, similar to that for trustees has now been uploaded to the website.

If you have any queries please contact me.

Yours faithfully

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Chief Financial Officer

Date...26/11/25...................................